

CHARTER TOWNSHIP OF YORK

REPORT ON AUDIT OF
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED MARCH 31, 2008

CHARTER TOWNSHIP OF YORK

TOWNSHIP OFFICIALS

Supervisor - Joe Zurawski
Clerk - Helen Neill
Treasurer - Sally B. Donahue

BOARD OF TRUSTEES

John Bulmer
Jane Kartje
Mike Kipley
Wayne Meier

LEGAL COUNSEL

Reading, Etter & Lillich

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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June 16, 2008

Board of Trustees
Charter Township of York
11560 Stony Creek Road
Milan, MI 48160

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of York, as of and for the year ended March 31, 2008, which collectively comprise the Charter Township of York's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of York's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the comptroller general of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Charter Township of York, as of March 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and other required supplementary information on pages 7 through 11 and 37 and 40 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of York's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining and individual fund statements, have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION

AND

ANALYSIS

Management Discussion and Analysis March 31, 2008

Within this section of the Charter Township of York's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended March 31, 2008. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and revenue sharing from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include such activities as general government, public safety, and planning and zoning departments. Business-type activities include water & sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.

The Township has three kinds of funds:

Governmental funds are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

Proprietary funds are reported in the fund financial statements and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary funds are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

Financial Analysis of the Township as a Whole

The Township's net assets at the end of the fiscal year were \$3,349,285. This is a \$1,092,925 increase over last year's net assets of \$2,256,360.

The following tables provide a summary of the Township's financial activities and changes in net assets:

Summary of Net Assets

	Governmental Activities		Business-type Activities		Totals	
	3/31/2007	3/31/2008	3/31/2007	3/31/2008	3/31/2007	3/31/2008
Current and other assets	\$ 1,272,730	\$ 1,555,879	\$ 196,595	\$ 171,327	\$ 1,469,325	\$ 1,727,206
Capital assets	659,112	1,288,842	595,610	581,122	1,254,722	1,869,964
Total assets	1,931,842	2,844,721	792,205	752,449	2,724,047	3,597,170
Other liabilities	297,260	110,093	6,927	1,792	304,187	111,885
Long-term liabilities			163,500	136,000	163,500	136,000
Total liabilities	297,260	110,093	170,427	137,792	467,687	247,885
Net assets:						
Invested in capital assets, net of related debt	659,112	1,288,842	432,110	445,122	1,091,222	1,733,964
Unrestricted	975,470	1,445,786	189,668	169,535	1,165,138	1,615,321
Total net assets	\$ 1,634,582	\$ 2,734,628	\$ 621,778	\$ 614,657	\$ 2,256,360	\$ 3,349,285

Summary of Changes in Net Assets

	Governmental Activities		Business-type Activities		Totals	
	3/31/2007	3/31/2008	3/31/2007	3/31/2008	3/31/2007	3/31/2008
REVENUES						
Program revenues						
Charges for services	\$ 301,357	\$ 383,299	\$ 14,044	\$ 14,396	\$ 315,401	\$ 397,695
Operating contributions	125,756	52,300			125,756	52,300
Capital contributions		639,600				639,600
General revenues						
State shared revenues	449,004	448,815			449,004	448,815
Property taxes	676,974	838,730			676,974	838,730
Interest income	68,161	80,236	10,114	9,436	78,275	89,672
Other	98,880	118,161			98,880	118,161
Total revenues	<u>1,720,132</u>	<u>2,561,141</u>	<u>24,158</u>	<u>23,832</u>	<u>1,744,290</u>	<u>2,584,973</u>
EXPENSES						
General government	943,495	472,331			943,495	472,331
Public Safety	551,360	808,917			551,360	808,917
Community development		119,659				119,659
Recreation and culture	6,290	14,110			6,290	14,110
Public works	31,339	46,078			31,339	46,078
Sewer system			30,222	30,953	30,222	30,953
Total expenses	<u>1,532,484</u>	<u>1,461,095</u>	<u>30,222</u>	<u>30,953</u>	<u>1,562,706</u>	<u>1,492,048</u>
Change in net assets	187,648	1,100,046	(6,064)	(7,121)	181,584	1,092,925
Beginning net assets	<u>1,446,934</u>	<u>1,634,582</u>	<u>627,842</u>	<u>621,778</u>	<u>2,074,776</u>	<u>2,256,360</u>
Ending net assets	<u>\$ 1,634,582</u>	<u>\$ 2,734,628</u>	<u>\$ 621,778</u>	<u>\$ 614,657</u>	<u>\$ 2,256,360</u>	<u>\$ 3,349,285</u>

This year the Township governmental funds saw a significant increase in net assets. The main reasons for the increase include the donation of land of \$639,600. The overall net assets for the governmental funds increased by \$1,100,046.

The business-type funds reported a decrease in net assets of \$7,121. This is primarily due to the \$14,488 of depreciation incurred during the year while connection fees were non-existent.

Financial Analysis of the Township's Major Funds

The Township's General Fund had revenues over expenditures totaling \$470,623 before operating transfers of \$250,000 were made to the Public Safety Fund.

The Building Department Fund had revenue over expenditures totaling \$177,008. The prior year had a deficit at March 31, 2008 totaling \$60,270 but due to the recognition of deferred revenues the fund balance is now at \$116,738.

The Budget Stabilization Fund had revenue of \$7,620. There were no expenditures.

The Public Safety Fund had expenditures over revenues totaling \$234,401 before an operating transfer of \$250,000 was made from General Fund.

The Township's only major business-type fund, the Sewer Fund, showed results very similar to last year. The fund had an operating loss totaling \$9,068 for the year compared to an \$8,449 loss last year. Again this year, the loss is primarily due to \$14,488 depreciation expense, and lack of new connection fees. Operating expenses in the current year of \$23,464 were slightly lower than in the previous year's \$22,493 amount.

General Fund Budgetary Highlights

The General Fund adopted its budget prior to the beginning fiscal year in accordance with Public Act 493 of 2000. The Township made amendments to the budget during the year to bring the budget closer to economic reality.

Capital Asset and Debt Administration

During the year, the Township acquired capital assets included in its Governmental Funds. The Township had land donated valued at \$639,600. In addition, the Township made improvements to the Park for \$14,436. The Township did not retire any capital assets during the year ended March 31, 2008.

The only long-term debt held by the Township resides with the Township's sole business-type fund, the Sewer Fund. Bonds were issued to finance the Township's connection to a local sewage treatment system. Total principal paid during the year was \$33,000 for the year ended March 31, 2008. These bonds mature in 2042.

Economic Conditions and Future Activities

The Township is anticipating reductions in state revenue sharing for its General Fund to continue into next year due to the declining State economic environment. This reduction could be offset somewhat by the improving commercial development climate in the Township.

Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact the Charter Township of York at 11560 Stony Creek Road, Milan, Michigan 48160.

BASIC FINANCIAL
STATEMENTS

GOVERNMENT-WIDE
FINANCIAL
STATEMENTS

CHARTER TOWNSHIP OF YORK
STATEMENT OF NET ASSETS
MARCH 31, 2008

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,369,289	\$ 26,833	\$ 1,396,122
Receivables			
Taxes	61,656		61,656
Special assessments		134,831	134,831
State shared revenues	70,041		70,041
Accounts	24,671	9,663	34,334
Due from other funds	13,355		13,355
Prepaid expenses	16,867		16,867
Capital assets - net of depreciation	1,288,842	581,122	1,869,964
Total assets	2,844,721	752,449	3,597,170
<u>LIABILITIES</u>			
Accounts payable	30,362	1,792	32,154
Accrued wages	23,704		23,704
Deferred revenue	51,441		51,441
Due to others	4,586		4,586
Bonds payable			
Current portion		5,000	5,000
Non-current portion		131,000	131,000
Total liabilities	110,093	137,792	247,885
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	1,288,842	445,122	1,733,964
Unrestricted	1,445,786	169,535	1,615,321
Total net assets	\$ 2,734,628	\$ 614,657	\$ 3,349,285

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2008

Functions/Programs	Expenses	Programs Revenues			Net (Expenses) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES							
General government	\$ (472,331)	\$ 375,405	\$	\$ 639,600	\$ 542,674	\$	\$ 542,674
Public safety	(808,917)	7,894			(801,023)		(801,023)
Community development	(119,659)				(119,659)		(119,659)
Recreation and culture	(14,110)		52,300		38,190		38,190
Public works	(46,078)				(46,078)		(46,078)
Total governmental activities	(1,461,095)	383,299	52,300	639,600	(385,896)		(385,896)
BUSINESS-TYPE ACTIVITIES							
Sewer system	(30,953)	14,396				(16,557)	(16,557)
Total	<u>\$ (1,492,048)</u>	<u>\$ 397,695</u>	<u>\$ 52,300</u>	<u>\$ 639,600</u>	<u>(385,896)</u>	<u>(16,557)</u>	<u>(402,453)</u>
General revenues							
Property taxes					838,730		838,730
State shared revenues/metro fees					448,815		448,815
Interest income					80,236	9,436	89,672
Cable franchise fees					46,357		46,357
Rental income					36,000		36,000
Other income					35,804		35,804
Total general revenues					1,485,942	9,436	1,495,378
Changes in net assets					1,100,046	(7,121)	1,092,925
Net Assets, April 1, 2007					1,634,582	621,778	2,256,360
Net assets, March 31, 2008					\$ 2,734,628	\$ 614,657	\$ 3,349,285

The notes are an integral part of the financial statements.

FUND
FINANCIAL
STATEMENTS

CHARTER TOWNSHIP OF YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2008

	General Fund	Building Department Fund	Budget Stabilization Fund
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 727,523	\$ 179,612	\$ 175,173
Accounts receivable - taxes	34,960		
Accounts receivable - state shared	70,041		
Accounts receivable - other	24,671		
Due from other funds	15,380		
Prepaid expenditures	16,867		
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 889,442</u>	<u>\$ 179,612</u>	<u>\$ 175,173</u>
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 21,519	\$ 1,490	\$
Accrued wages	15,761	7,943	
Due to others	4,586		
Due to other funds	1,988	2,000	
Deferred revenue		51,441	
	<hr/>	<hr/>	<hr/>
Total liabilities	43,854	62,874	
FUND BALANCE			
Unreserved			
Undesignated	845,588	116,738	175,173
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ 889,442</u>	<u>\$ 179,612</u>	<u>\$ 175,173</u>

The notes are integral part of the financial statements.

Public Safety Fund	Non-major Governmental Funds	Total
\$ 205,251	\$ 81,730	\$ 1,369,289
26,696		61,656
		70,041
		24,671
	1,988	17,368
		16,867
<u>\$ 231,947</u>	<u>\$ 83,718</u>	<u>\$ 1,559,892</u>
\$ 7,200	\$ 153	\$ 30,362
		23,704
		4,586
	25	4,013
		51,441
7,200	178	114,106
<u>224,747</u>	<u>83,540</u>	<u>1,445,786</u>
<u>\$ 231,947</u>	<u>\$ 83,718</u>	<u>\$ 1,559,892</u>

CHARTER TOWNSHIP OF YORK
RECONCILIATION OF STATEMENT OF NET ASSETS
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
MARCH 31, 2008

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total fund balance per balance sheet		\$ 1,445,786
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds:		
Historical cost	\$ 1,543,774	
Depreciation	<u>(254,932)</u>	
Capital assets net of depreciation		<u>1,288,842</u>
Net assets of governmental activities		<u>\$ 2,734,628</u>

The notes are integral part of the financial statements.

CHARTER TOWNSHIP OF YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2008

	General Fund	Building Department Fund	Budget Stabilization Fund
REVENUES			
Taxes	\$ 342,148	\$	\$
Administrative fee	123,403		
Cable TV fees	46,357		
State shared revenues	442,216		
Fire runs			
Planning department professional fees	15,890		
License and permits		338,261	
Summer tax levy	16,185		
Metro act	6,599		
Interest income	53,518	9,703	7,620
Court fees	4,058		
Rent	36,000		
Other income	4,514	182	
Refunds	11,367		
Park donation	2,300		
Penalties and interest	2,126		
Total revenues	<u>1,106,681</u>	<u>348,146</u>	<u>7,620</u>
EXPENDITURES			
Current:			
General government	566,561		
Parks and recreation	6,983		
Library	2,000		
Roads	46,078		
Building department		171,138	
Public safety - fire			
Public safety - police			
Liquor law			
Environmental			
Capital Outlay			
Parks and recreation	14,436		
Total expenditures	<u>636,058</u>	<u>171,138</u>	
Excess of revenues over (under) expenditures	470,623	177,008	7,620
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers (out)	(250,000)		
Total other financing sources (uses)	<u>(250,000)</u>		
Net change in fund balance	220,623	177,008	7,620
FUND BALANCE (DEFICIT), APRIL 1, 2007	<u>624,965</u>	<u>(60,270)</u>	<u>167,553</u>
FUND BALANCE, MARCH 31, 2008	<u>\$ 845,588</u>	<u>\$ 116,738</u>	<u>\$ 175,173</u>

The notes are an integral part of the financial statements.

Public Safety Fund	Non-major Governmental Funds	Total
\$ 371,053	\$	\$ 713,201
		123,403
		46,357
		442,216
7,894		7,894
		15,890
	1,011	339,272
		16,185
		6,599
5,805	3,590	80,236
		4,058
		36,000
17,691	2,050	24,437
		11,367
	50,000	52,300
		2,126
<u>402,443</u>	<u>56,651</u>	<u>1,921,541</u>
		566,561
		6,983
		2,000
		46,078
		171,138
361,156		361,156
275,688		275,688
	935	935
	6,250	6,250
		14,436
<u>636,844</u>	<u>7,185</u>	<u>1,451,225</u>
(234,401)	49,466	470,316
250,000		250,000
		(250,000)
<u>250,000</u>		
15,599	49,466	470,316
209,148	34,074	975,470
<u>\$ 224,747</u>	<u>\$ 83,540</u>	<u>\$ 1,445,786</u>

CHARTER TOWNSHIP OF YORK
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2008

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ 470,316
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Governmental funds report capital outlay as expenditures.

However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense.

Capital assets purchased	\$ 14,436	
Depreciation expense	<u>(24,306)</u>	

Total		(9,870)
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Donated assets are not a current usage of resources, and therefore are not reported in the governmental funds.

Donated land		<u>639,600</u>
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Change in net assets of governmental activities	<u><u>\$ 1,100,046</u></u>
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The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF YORK
STATEMENT OF NET ASSETS
PROPRIETARY FUND
MARCH 31, 2008

	<u>Sewer Fund</u>
 <u>ASSETS</u>	
ASSETS	
Cash and cash equivalents	\$ 26,833
Receivables	
Accounts	9,663
Special assessments	134,831
Capital assets	
Land	\$ 74,039
Sewer system	<u>579,523</u>
	653,562
Less accumulated depreciation	<u>(72,440)</u>
Capital assets, net	<u>581,122</u>
 Total assets	 <u>752,449</u>
 <u>LIABILITIES</u>	
LIABILITIES	
Accounts payable	1,792
Bonds payable	
Current	5,500
Non-current	<u>130,500</u>
 Total liabilities	 <u>137,792</u>
 <u>NET ASSETS</u>	
NET ASSETS	
Invested in capital assets net of related debt	445,122
Unrestricted	<u>169,535</u>
 Total net assets	 <u><u>\$ 614,657</u></u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED MARCH 31, 2008

OPERATING REVENUES	
Sewer billings	<u>\$ 14,396</u>
OPERATING EXPENSES	
Sewer usage	5,098
Depreciation	14,488
Insurance	1,473
Audit fees	500
Utilities	<u>1,905</u>
Total operating expenses	<u>23,464</u>
Operating (loss)	(9,068)
NON-OPERATING REVENUES AND (EXPENSES)	
Interest income - cash and cash equivalents	1,637
Interest income - assessments	7,799
Interest expense - debt	<u>(7,489)</u>
Total non-operating revenues and (expenses)	<u>1,947</u>
Net (loss)	(7,121)
NET ASSETS, APRIL 1, 2007	<u>621,778</u>
NET ASSETS, MARCH 31, 2008	<u><u>\$ 614,657</u></u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF YORK
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED MARCH 31, 2008

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:

Cash from users	\$ 12,389	
Cash paid to vendors	<u>(8,611)</u>	
Net cash from operating activities		\$ 3,778

CASH FLOWS FROM (USED IN) CAPITAL AND RELATED
FINANCING ACTIVITIES

Special assessment - collections	16,905	
Payment of principal on bonds	(33,000)	
Interest paid on bonds	<u>(7,489)</u>	
Net cash (used in) capital and related financing activities		(23,584)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on operating funds	<u>1,637</u>	
-----------------------------	--------------	--

NET INCREASE IN CASH AND CASH EQUIVALENTS (18,169)

CASH AND CASH EQUIVALENTS, APRIL 1 2007 45,002

CASH AND CASH EQUIVALENTS, MARCH 31, 2008 \$ 26,833

RECONCILIATION OF OPERATING INCOME (LOSS)
TO NET CASH PROVIDED BY (USED FOR)
OPERATING ACTIVITIES

Operating (loss)		\$ (9,068)
Adjustments to reconcile operating income to net cash from (used in) operating activities:		
Depreciation expense	\$ 14,488	
Changes in assets and liabilities		
(Increase) in accounts receivable	(2,007)	
Increase in accounts payable	<u>365</u>	
Total adjustments		<u>12,846</u>
Net cash from operating activities		<u><u>\$ 3,778</u></u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF YORK
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
MARCH 31, 2008

	Trust and Agency Fund	Current Tax Fund	Totals
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 213,408	\$ 1,984	\$ 215,392
<u>LIABILITIES</u>			
LIABILITIES			
Due to others	\$ 202,037	\$	\$ 202,037
Due to other funds	11,371	1,984	13,355
Total liabilities	\$ 213,408	\$ 1,984	\$ 215,392

The notes are an integral part of the financial statements.

NOTES
TO
FINANCIAL
STATEMENTS

CHARTER TOWNSHIP OF YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Township relating to the funds and account groups included in the accompanying combined financial statements conform to generally accepted accounting principles applicable to state and local governments. The more significant accounting policies of the Township are described below.

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations or other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The Government-Wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

CHARTER TOWNSHIP OF YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Also, part of the basic financial statements are fund financial statements for governmental funds and proprietary funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds, are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Building Department Fund accounts for the operations of the Township's building department. This fund's primary support is derived from revenues for licenses and permits issued.

The Public Safety Fund accounts for the contracts with Milan and Saline Fire. The funds primary support is derived from tax revenue.

The Budget Stabilization Fund accounts for amounts the General Fund has transferred in.

The Township reports the following major enterprise fund:

The Sewer Fund accounts for the activities associated with operating the Township's residents connection to an area sewage treatment facility.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, transient occupancy taxes, licenses, fees and permits, intergovernmental revenues, charges for services, fines, forfeits and penalties, and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

CHARTER TOWNSHIP OF YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

The proprietary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary funds financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds are eliminated in the consolidation for the government-wide financial statements, but are included in the fund columns in the proprietary funds financial statements.

Enterprise funds account for operations where the intent of the Township is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for any activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges of the activity, or 3) it is the policy of the Township to establish activity fees or charges to recover the cost of providing services, including capital costs.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Township has elected for proprietary funds not to apply Financial Accounting Standards Board statements issued after November 30, 1989.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs. The Township currently maintains an agency fund to account for the monies collected and paid on behalf of developer's escrow accounts.

C. REPORTING ENTITY

In accordance with the provisions of Government Accounting Standards Board (GASB) Statement No. 39, certain other governmental organizations may be considered to be part of the reporting entity for financial statement purposes. The criteria established by GASB Statement No. 39 for the various governmental organizations to be included in the reporting entity's financial statements include oversight responsibilities and financial accountability.

In this regard, there are no other governmental organizations associated with the Township subject of the above criteria nor are there any other governmental organizations in existence. All funds and account groups of the reporting entity are included in the general purpose financial statements as presented.

CHARTER TOWNSHIP OF YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Real property are considered capital assets regardless of initial cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	5 to 50 years
Utility plant	5 to 50 years
Machinery and equipment	2 to 40 years
Infrastructure	25 to 50 years

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

E. BUDGETS AND BUDGETARY ACCOUNTING

In accordance with the Uniform Budgeting Act (P.A. 621 of 1978) of the State of Michigan, the Township annually adopts budgets on the modified accrual basis of accounting for all of the governmental fund types at the department level for the General Fund, and the fund level for the Special Revenue Funds. This is consistent with generally accepted accounting principles.

The Township adopts its budget by functional activity which is the level of classification detail at which expenditures may not legally exceed appropriations.

F. DEPOSITS AND INVESTMENTS

The Township's cash and cash equivalents are considered to be demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Township to deposit in the accounts of federally insured banks, credit union, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, bankers acceptances, and mutual funds composed of other wise legal investments.

Investments are stated at fair value.

G. RECEIVABLES

All receivables are reported at their net value by being reduced, where appropriate, by the estimated portion that is expected to be uncollectible.

CHARTER TOWNSHIP OF YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or serviced rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

I. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond March 31, 2008, are recorded as prepaid expenditures.

J. PROPERTY TAXES

The Township property tax is levied each December 1 on the assessed valuation of property located in the Township as of the preceding December 31, the lien date. Real and personal property in the Charter Township of York for the 2007 levy had a taxable value of \$375,083,006. The Township's general operating tax rate for the fiscal year was .8504 mills and the Public Safety tax rate was .9702 mills.

K. ACCRUED COMPENSATED ABSENCES

All Township employees are working on a part-time basis and, therefore, no sick time or vacation time benefits are paid to the employees.

L. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

M. RISK MANAGEMENT

The Township is exposed to various risks of loss pertaining to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for these claims. Settled claims related to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

N. CAPITALIZATION OF INTEREST

A portion of the interest cost incurred on capital projects is capitalized on assets that require a period of time for construction or to otherwise prepare them for their intended use. Such amounts are amortized over the useful lives of the assets.

O. INCOME TAXES

As a governmental agency, the Township is exempt from both federal income taxes and Michigan Single Business Tax.

CHARTER TOWNSHIP OF YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit union, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers; acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations to the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township maintains an imprest petty cash account in the amount of \$300. The Township has adopted an Investment Policy and its policy and deposits are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's deposits and investments are as follows:

<u>Deposits</u>	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Total Carrying Amount</u>	<u>Bank Balance</u>
Insured	\$ 401,175	\$	\$ 401,175	\$ 401,175
Uninsured and uncollateralized	<u>994,647</u>	<u>215,392</u>	<u>1,210,039</u>	<u>1,349,565</u>
Total deposits	<u>\$ 1,395,822</u>	<u>\$ 215,392</u>	<u>\$ 1,611,214</u>	<u>\$ 1,750,740</u>

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$1,349,565 of bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Concentration of Credit Risk

The Township places no limit on the amount the Township may invest in any one (1) user.

CHARTER TOWNSHIP OF YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 3 - INTERFUND BALANCES

All interfund balances are short-term in character. Interfund balances will be collected during the next reporting period. The amounts of interfund receivables and payables are as follows:

<u>Funds</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 15,380	\$ 1,988
Building Department Fund		2,000
Cemetery Fund		25
Current Tax Collection Fund		1,984
Trust and Agency Fund		11,371
Environmental Fund	1,988	
	<hr/>	<hr/>
Totals	<u>\$ 17,368</u>	<u>\$ 17,368</u>

NOTE 4 - OTHER FINANCING SOURCES (USES)

The transfers of cash between the various funds are budgeted and reported separate from revenues and expenditures as operating transfers in or (out), unless they represent temporary advances that are to be repaid, in which case they are carried as assets or liabilities of the advancing or borrowing fund. The Township also records all proceeds from the issuance of debt instruments as other financing sources. As of March 31, 2008 the Township had transferred \$250,000 from General Fund to the Public Safety Fund.

CHARTER TOWNSHIP OF YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 5 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

<u>Governmental Funds</u>	<u>Balance 4/1/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/08</u>
Township Hall				
Building	\$ 624,707	\$	\$	624,707
Land	81,079	639,600		720,679
Office equipment	66,390			66,390
Land improvement	117,562	14,436		131,998
Total governmental fund fixed assets	889,738	654,036		1,543,774
Less accumulated depreciation	(230,626)	(24,306)		(254,932)
Net book value	<u>\$ 659,112</u>	<u>\$ 629,730</u>	<u>\$</u>	<u>\$ 1,288,842</u>

Depreciation expense is being recorded in the government-wide statement of activities based upon the fund and activity utilizing the assets. No debt is associated with these assets.

The Township utilizes the straight line method to depreciate capital over their estimated useful lives. Depreciation expense was allocated to the following activities:

General government	\$ 19,179
Parks and recreation	<u>5,127</u>
Total depreciation	<u>\$ 24,306</u>
Investment in capital assets, net of related debt at March 31, 2008	<u>\$ 1,288,842</u>

A summary of changes in the proprietary fund capital assets is as follows:

	<u>Balance 4/1/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/08</u>
PROPRIETARY FUND				
Sewer systems	\$ 579,523	\$	\$	\$ 579,523
Land	74,039			74,039
Total proprietary fund fixed assets	653,562			653,562
Less accumulated depreciation	(57,952)	(14,488)		(72,440)
Net book value	<u>\$ 595,610</u>	<u>\$ (14,488)</u>	<u>\$</u>	<u>\$ 581,122</u>

There is \$136,000 of debt associated with these assets.

CHARTER TOWNSHIP OF YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 6 - LONG-TERM OBLIGATIONS

The principal long-term obligations of the Township are special assessment bonds issued to finance the construction of the sewer system upgrade. Interest is charged at 4.5% with principle payments due annually and interest semi-annually until its maturity in 2039.

The Township's long-term obligations as of March 31, 2008 and transactions during the year then ended, are as follows:

<u>Enterprise Funds</u>	<u>Balance 4/1/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/08</u>	<u>Due within one year</u>
2002 Sewer Special Assessment limited tax bonds	<u>\$ 169,000</u>	<u>\$</u>	<u>\$ 33,000</u>	<u>136,000</u>	<u>\$ 5,000</u>

The following is a schedule of principal and interest payments to service the long-term obligations of the Township:

	<u>Bonds Payable Enterprise Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2008 - 2009	\$ 5,000	\$ 6,023
2009 - 2010	5,000	5,782
2010 - 2011	5,000	5,557
2011 - 2012	5,000	5,332
2012 - 2013	5,000	5,121
2013 - 2018	25,000	22,171
2018 - 2023	23,000	16,633
2023 - 2028	20,000	11,928
2028 - 2033	20,000	7,430
2033 - 2038	18,000	3,012
2038 - 2040	<u>5,000</u>	<u>202</u>
Total borrowings	<u>\$ 136,000</u>	<u>\$ 89,191</u>

NOTE 7 - JOINT VENTURES

Since 1984, the Township has participated in joint ventures with both the Saline and Milan Area Fire Departments, who provide fire protection services to Township residents. The participating entities annually contribute sufficient resources to cover anticipated expenditures, which include operations and fire runs.

Complete financial statements for each joint venture may be obtained at their respective administrative offices.

CHARTER TOWNSHIP OF YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 8 - STATEMENT OF CASH FLOWS - ENTERPRISE FUND

Pursuant to the Governmental Accounting Standards Board (GASB) statement number 9, a statement of cash flows is presented. The purpose of the statement of cash flows is to explain the change in cash and cash equivalents during the year. Cash equivalents are defined as short-term, highly liquid investments with original maturities of three months or less. The indirect method was utilized to present cash flows from operations. The following summarizes beginning and ending cash and cash equivalents:

	<u>April 1, 2007</u>	<u>March 31, 2008</u>
Cash and cash equivalents	<u>\$ 45,002</u>	<u>\$ 26,833</u>

NOTE 9 - FEDERAL GRANT ACTIVITIES

The Charter Township of York was the recipient of a utilities services grant. According to the terms of the grant, federal funds must be used to improve/develop the Township's sewer system. The grant received is subject to financial and compliance audits by the grantors or their representatives. The audit for the year ended March 31, 2008 has not yet been completed and is subject to review.

NOTE 10 - EMPLOYEE RETIREMENT PLAN

The Township participates in a Lincoln Mutual Life Defined Contribution Retirement Plan. This is a single-employer plan for all full-time employees of the Township. The Township contributes 4.0% of participant's compensation, while an employee may elect to defer compensation up to 25%. Annual compensation used to determine the current year contribution is as of April 1, preceding the year. Contribution information is as follows:

TOTAL COVERED PAYROLL	<u>\$ 60,000</u>
EMPLOYER CONTRIBUTIONS	<u>\$ 2,382</u>
EMPLOYEE CONTRIBUTIONS	<u>\$ -0-</u>

These balances reflect contributions for the period from April 1, 2007 to March 31, 2008.

REQUIRED
SUPPLEMENTARY
INFORMATION

CHARTER TOWNSHIP OF YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2008

	Budgets			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 330,668	\$ 330,668	\$ 342,148	\$ 11,480
Administration fee	108,000	108,000	123,403	15,403
Cable TV fees	25,000	25,000	46,357	21,357
State shared revenues	448,000	448,000	442,216	(5,784)
Planning department professional fees	53,225	53,225	15,890	(37,335)
Summer tax levy	16,000	16,000	16,185	185
Metro act fees	5,000	5,000	6,599	1,599
Interest income	5,000	5,000	53,518	48,518
Court fees	1,000	1,000	4,058	3,058
Rent	36,000	36,000	36,000	
Other income	6,050	6,050	4,514	(1,536)
Refunds			11,367	11,367
Park donation			2,300	2,300
Penalties and interest			2,126	2,126
Total revenues	1,033,943	1,033,943	1,106,681	72,738
EXPENDITURES	763,795	763,795	636,058	127,737
Excess of revenues over (under) expenditures	270,148	270,148	470,623	200,475
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(270,000)	(285,000)	(250,000)	35,000
Net change in fund balance	148	(14,852)	220,623	235,475
FUND BALANCE, APRIL 1, 2007	624,965	624,965	624,965	
FUND BALANCE, MARCH 31, 2008	\$ 625,113	\$ 610,113	\$ 845,588	\$ 235,475

CHARTER TOWNSHIP OF YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUILDING DEPARTMENT FUND
FOR THE YEAR ENDED MARCH 31, 2008

	Budgets			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Building permits	\$	\$	\$ 336,731	\$
Registration fees			1,530	
Interest income			9,703	
Miscellaneous income			182	
Total revenues	278,950	278,950	348,146	69,196
EXPENDITURES				
Salaries			99,102	
Payroll taxes			7,581	
Retirement			2,383	
Health insurance			7,027	
Rent			36,000	
Supplies			2,722	
Travel and education			3,055	
Outside services			6,876	
Equipment purchases			1,033	
Legal			4,260	
Repairs and maintenance			396	
Per diems			703	
Total expenditures	212,892	212,892	171,138	41,754
Net change in fund balance	66,058	66,058	177,008	110,950
FUND BALANCE (DEFICIT)				
APRIL 1, 2007	(60,270)	(60,270)	(60,270)	
FUND BALANCE MARCH 31, 2008	\$ 5,788	\$ 5,788	\$ 116,738	\$ 110,950

CHARTER TOWNSHIP OF YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET STABILIZATION FUND
FOR THE YEAR ENDED MARCH 31, 2008

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Interest	\$ 4,000	\$ 4,000	\$ 7,670	\$ 3,670
EXPENDITURES				
Net change in fund balance	4,000	4,000	7,670	3,670
FUND BALANCE, APRIL 1, 2007	<u>167,553</u>	<u>167,553</u>	<u>167,553</u>	
FUND BALANCE, MARCH 31, 2008	<u>\$ 171,553</u>	<u>\$ 171,553</u>	<u>\$ 175,223</u>	<u>\$ 3,670</u>

CHARTER TOWNSHIP OF YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC SAFETY FUND
FOR THE YEAR ENDED MARCH 31, 2008

	Budgets			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Property taxes	\$	\$	\$ 371,053	\$
Fire runs			7,894	
District court fines			10,622	
Alarm ordinance fees			1,200	
Interest income			5,805	
State revenue			2,339	
Miscellaneous revenue			3,530	
Total revenues	375,200	375,200	402,443	27,243
EXPENDITURES				
Crime control and investigation			361,156	
Milan Fire			112,135	
Saline Fire			163,553	
Total expenditures	636,057	651,057	636,844	14,213
Excess of revenues over (under) expenditures	(260,857)	(275,857)	(234,401)	41,456
OTHER FINANCING SOURCES (USES)				
Transfers in	270,000	285,000	250,000	(35,000)
Net change in fund balance	9,143	9,143	15,599	6,456
FUND BALANCE, APRIL 1, 2007	209,148	209,148	209,148	
FUND BALANCE, MARCH 31, 2008	\$ 218,291	\$ 218,291	\$ 224,747	\$ 6,456

SUPPLEMENTARY
INFORMATION

COMBINING
FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF YORK
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
MARCH 31, 2008

	Building Department Fund	Liquor Law Fund	Environmental Protection Fund
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 179,612	\$ 1,252	\$ 27,069
Accounts receivable - taxes			
Due from other funds			1,988
			<u>1,988</u>
Total assets	<u>\$ 179,612</u>	<u>\$ 1,252</u>	<u>\$ 29,057</u>
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 1,490	\$ 85	\$ 68
Accrued expenses	7,943		
Due to other funds	2,000		
Deferred revenue	51,441		
	<u>62,874</u>	<u>85</u>	<u>68</u>
Total liabilities	62,874	85	68
FUND BALANCE	<u>116,738</u>	<u>1,167</u>	<u>28,989</u>
Total liabilities and fund balance	<u>\$ 179,612</u>	<u>\$ 1,252</u>	<u>\$ 29,057</u>

Public Safety Fund	Budget Stabilization Fund	Cemetery Trust Fund	Totals
\$ 205,251 26,696	\$ 175,173	\$ 1,175	\$ 589,532 26,696 1,988
<u>\$ 231,947</u>	<u>\$ 175,173</u>	<u>\$ 1,175</u>	<u>\$ 618,216</u>

\$ 7,200	\$	\$	\$ 8,843 7,943 2,025 51,441
		25	
<u>7,200</u>		<u>25</u>	<u>70,252</u>
<u>224,747</u>	<u>175,173</u>	<u>1,150</u>	<u>547,964</u>
<u>\$ 231,947</u>	<u>\$ 175,173</u>	<u>\$ 1,175</u>	<u>\$ 618,216</u>

Trust and Agency Fund	Current Tax Fund	Totals
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ASSETS

<u>\$ 213,408</u>	<u>\$ 1,984</u>	<u>\$ 215,392</u>
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LIABILITIES

\$	202,037	\$	\$	202,037
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11,371	1,984	13,355
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\$ 213,408	\$ 1,984	\$ 215,392
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CHARTER TOWNSHIP OF YORK
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED MARCH 31, 2008

	Building Department Fund	Liquor Law Fund	Environmental Protection Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$	\$	\$
Licenses, permits, fire runs	338,261	1,011	
Interest income	9,703	5	1,351
Other revenue	182		2,050
	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>348,146</u>	<u>1,016</u>	<u>3,401</u>
EXPENDITURES			
Building department	171,138		
Liquor law		935	
Environmental			6,250
Public safety			
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>171,138</u>	<u>935</u>	<u>6,250</u>
Excess of revenues over (under) expenditures	177,008	81	(2,849)
OTHER FINANCING SOURCES (USES)			
Transfers in			
	<u> </u>	<u> </u>	<u> </u>
Net change in fund balance	177,008	81	(2,849)
FUND BALANCE (DEFICIT), APRIL 1, 2007	<u>(60,270)</u>	<u>1,086</u>	<u>31,838</u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 116,738</u></u>	<u><u>\$ 1,167</u></u>	<u><u>\$ 28,989</u></u>

Budget Stabilization Fund	Public Safety Fund	Cemetery Trust Fund	Totals
\$	\$ 371,053	\$	\$ 371,053
	7,894		347,166
7,620	5,805		24,484
	17,691		19,923
7,620	402,443		762,626
			171,138
			935
			6,250
	636,844		636,844
	636,844		815,167
7,620	(234,401)		(52,541)
	250,000		250,000
7,620	15,599		197,459
167,553	209,148	1,150	350,505
\$ 175,173	\$ 224,747	\$ 1,150	\$ 547,964

INDIVIDUAL
FUNDS

GENERAL
FUND

CHARTER TOWNSHIP OF YORK
GENERAL FUND
BALANCE SHEET
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents	\$ 727,523
Revenues	
Taxes	34,960
State shared revenues	70,041
Other	24,671
Prepaid expenditures	16,867
Due from other funds	<u>15,380</u>
 Total assets	 <u><u>\$ 889,442</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 21,519	
Accrued wages	15,761	
Due to others	4,586	
Due to other funds	<u>1,988</u>	
 Total liabilities		 \$ 43,854

FUND BALANCE

Unreserved	<u>845,588</u>
 Total liabilities and fund balance	 <u><u>\$ 889,442</u></u>

CHARTER TOWNSHIP OF YORK
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 330,668	\$ 342,148	\$ 11,480
Administration fee	108,000	123,403	15,403
Cable TV fees	25,000	46,357	21,357
State shared revenues	448,000	442,216	(5,784)
Planning department professional fees	53,225	15,890	(37,335)
Summer tax levy	16,000	16,185	185
Metro act fees	5,000	6,599	1,599
Interest income	5,000	53,518	48,518
Court fees	1,000	4,058	3,058
Rent	36,000	36,000	
Other income	6,050	4,514	(1,536)
Refunds		11,367	11,367
Park donation		2,300	2,300
Penalties and interest		2,126	2,126
Total revenues	1,033,943	1,106,681	72,738
EXPENDITURES	763,795	636,058	127,737
Excess of revenues over (under) expenditures	270,148	470,623	200,475
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(285,000)	(250,000)	35,000
Net change in fund balance	(14,852)	220,623	235,475
FUND BALANCE, APRIL 1, 2007	624,965	624,965	
FUND BALANCE, MARCH 31, 2008	\$ 610,113	\$ 845,588	\$ 235,475

CHARTER TOWNSHIP OF YORK
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TOWNSHIP BOARD			
Salaries	\$	\$ 6,500	\$
Assistant wages		10,733	
Payroll taxes		1,319	
Office supplies/postage		1,008	
Audit fees		10,500	
Legal fees		32,635	
Printing and publishing		1,250	
Equipment rental		5,990	
Memberships and dues		7,010	
Miscellaneous		13,091	
Equipment purchases		3,840	
	<u>108,900</u>	<u>93,876</u>	<u>15,024</u>
TOWNSHIP SUPERVISOR			
Salary		35,000	
Supplies		395	
Payroll taxes		2,678	
Education and training		75	
	<u>44,100</u>	<u>38,148</u>	<u>5,952</u>
ELECTIONS			
Salary		10,069	
Equipment		3,101	
Payroll taxes		439	
Supplies		3,546	
Printing and publishing		87	
	<u>17,500</u>	<u>17,242</u>	<u>258</u>
ASSESSOR			
Wages		55,000	
Payroll taxes		4,207	
Supplies		3,236	
Travel		272	
Education and training		150	
	<u>64,400</u>	<u>62,865</u>	<u>1,535</u>

CHARTER TOWNSHIP OF YORK
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TOWNSHIP CLERK			
Salary		39,000	
Deputy salary		17,077	
Education and training		281	
Payroll taxes		4,526	
Operating supplies		1,549	
Outside services		3,436	
Data entry		3,092	
	<u>72,900</u>	<u>68,961</u>	<u>3,939</u>
BOARD OF REVIEW			
Salaries		2,055	
Payroll taxes		157	
Operating supplies		41	
Printing and publishing		63	
Education and training		210	
	<u>2,725</u>	<u>2,526</u>	<u>199</u>
TOWNSHIP TREASURER			
Salary		35,000	
Deputy salary		14,551	
Payroll taxes		3,791	
Operating supplies		4,857	
Travel		23	
	<u>60,750</u>	<u>58,222</u>	<u>2,528</u>
BUILDINGS AND GROUNDS			
Contract services		5,895	
Operating supplies		5,379	
Telephone		7,018	
Utilities		11,958	
Equipment		5,557	
Repairs and maintenance		14,927	
	<u>54,000</u>	<u>50,734</u>	<u>3,266</u>

CHARTER TOWNSHIP OF YORK
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CEMETERY UPKEEP	<u>7,800</u>	<u>6,843</u>	<u>957</u>
DEVELOPMENTAL			
Engineering consultant		13,404	
Planning consultant		<u>6,202</u>	
Total	<u>50,000</u>	<u>19,606</u>	<u>30,394</u>
ZONING INSPECTION			
Salaries		31,096	
Payroll taxes		2,379	
Supplies		427	
Travel and education		1,203	
Legal		<u>49,056</u>	
Total	<u>110,740</u>	<u>84,161</u>	<u>26,579</u>
PLANNING COMMISSION			
Salaries		9,545	
Payroll taxes		730	
Operating supplies		409	
Education and training		298	
Professional fees - planning		<u>17,160</u>	
Total	<u>45,575</u>	<u>28,142</u>	<u>17,433</u>
ZONING BOARD OF APPEALS			
Per diems		925	
Payroll taxes		71	
Printing and publishing		<u>110</u>	
Total	<u>4,830</u>	<u>1,106</u>	<u>3,724</u>
DRAINS			
Repairs and maintenance	<u>12,000</u>	<u>7,213</u>	<u>4,787</u>
ROADS			
Roads	<u>40,000</u>	<u>38,865</u>	<u>1,135</u>

CHARTER TOWNSHIP OF YORK
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
PARKS AND RECREATION			
Parks	<u>25,425</u>	<u>21,419</u>	<u>4,006</u>
HISTORICAL SOCIETY	<u>150</u>	<u></u>	<u>150</u>
LIBRARY			
Library contribution	<u>2,000</u>	<u>2,000</u>	<u></u>
UNALLOCATED			
Insurance	<u>40,000</u>	<u>34,129</u>	<u>5,871</u>
Total expenditures	<u>\$ 763,795</u>	<u>\$ 636,058</u>	<u>\$ 127,737</u>

BUILDING
DEPARTMENT
FUND

CHARTER TOWNSHIP OF YORK
BUILDING DEPARTMENT FUND
BALANCE SHEET
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents		\$ 179,612
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 1,490
Accrued wages	7,943
Due to other funds	2,000
Deferred revenue	<u>51,441</u>

Total liabilities	\$ 62,874
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FUND BALANCE

<u>116,738</u>

Total liabilities and fund balance	\$ <u>179,612</u>
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CHARTER TOWNSHIP OF YORK
BUILDING DEPARTMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Building permits	\$	\$ 336,731	\$
Registration fees		1,530	
Interest income		9,703	
Miscellaneous income		182	
	<u>278,950</u>	<u>348,146</u>	<u>69,196</u>
Total revenues			
EXPENDITURES			
Salaries		99,102	
Payroll taxes		7,581	
Retirement		2,383	
Health insurance		7,027	
Rent		36,000	
Supplies		2,722	
Travel and education		3,055	
Outside services		6,876	
Equipment		1,033	
Legal		4,260	
Repairs and maintenance		396	
Per Diems		703	
	<u>212,892</u>	<u>171,138</u>	<u>41,754</u>
Total expenditures			
Net change in fund balance	66,058	177,008	110,950
FUND BALANCE (DEFICIT), APRIL 1, 2007	<u>(60,270)</u>	<u>(60,270)</u>	
FUND BALANCE, MARCH 31, 2008	<u>\$ 5,788</u>	<u>\$ 116,738</u>	<u>\$ 110,950</u>

LIQUOR

LAW

FUND

CHARTER TOWNSHIP OF YORK
LIQUOR LAW FUND
BALANCE SHEET
MARCH 31, 2008

ASSETS

ASSETS
Cash

\$ 1,252

LIABILITIES AND FUND BALANCE

LIABILITIES
Accounts payable

\$ 85

FUND BALANCE

1,167

Total liabilities and fund balance

\$ 1,252

CHARTER TOWNSHIP OF YORK
LIQUOR LAW FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
State sharing	\$	\$ 1,011	\$
Interest		5	
	<u>1,021</u>	<u>1,016</u>	<u>(5)</u>
EXPENDITURES			
Contracted services	<u>1,020</u>	<u>935</u>	<u>85</u>
Net change in fund balance	1	81	80
FUND BALANCE, APRIL 1, 2007	<u>1,086</u>	<u>1,086</u>	
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 1,087</u></u>	<u><u>\$ 1,167</u></u>	<u><u>\$ 80</u></u>

ENVIRONMENTAL
PROTECTION
FUND

CHARTER TOWNSHIP OF YORK
ENVIRONMENTAL PROTECTION FUND
BALANCE SHEET
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents
Due from other funds

\$ 27,069
1,988

Total assets

\$ 29,057

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 68

FUND BALANCE

28,989

Total liabilities and fund balance

\$ 29,057

CHARTER TOWNSHIP OF YORK
ENVIRONMENTAL PROTECTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$	\$ 1,351	\$
Donations		2,050	
Total	<u>1,500</u>	<u>3,401</u>	<u>1,901</u>
EXPENDITURES			
Contracted services		4,512	
Dues		1,184	
Miscellaneous expense		554	
Total expenditures	<u>10,500</u>	<u>6,250</u>	<u>4,250</u>
Net change in fund balance	(9,000)	(2,849)	6,151
FUND BALANCE, APRIL 1, 2007	<u>31,838</u>	<u>31,838</u>	
FUND BALANCE, MARCH 31, 2008	<u>\$ 22,838</u>	<u>\$ 28,989</u>	<u>\$ 6,151</u>

PUBLIC SAFETY
FUND

CHARTER TOWNSHIP OF YORK
PUBLIC SAFETY FUND
BALANCE SHEET
MARCH 31, 2008

ASSETS

ASSETS

Cash and equivalents	\$ 205,251
Accounts receivable - taxes	<u>26,696</u>
Total assets	<u>\$ 231,947</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 7,200
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FUND BALANCE

Total liabilities and fund balance	<u>224,747</u>
	<u>\$ 231,947</u>

CHARTER TOWNSHIP OF YORK
PUBLIC SAFETY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$	\$ 371,053	\$
Fire runs		7,894	
District court fines		10,622	
Alarm ordinance fees		1,200	
Interest income		5,805	
State revenue		2,339	
Miscellaneous revenue		3,530	
	<u>375,200</u>	<u>402,443</u>	<u>27,243</u>
Total revenues			
EXPENDITURES			
Crime control and investigation		361,156	
Milan Fire		112,135	
Saline Fire		163,553	
	<u>651,057</u>	<u>636,844</u>	<u>14,213</u>
Total expenditures			
Excess of revenues over (under) expenditures	(275,857)	(234,401)	41,456
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>285,000</u>	<u>250,000</u>	<u>(35,000)</u>
Net change in fund balance	9,143	15,599	6,456
FUND BALANCE, APRIL 1, 2007	<u>209,148</u>	<u>209,148</u>	
FUND BALANCE, MARCH 31, 2008	<u>\$ 218,291</u>	<u>\$ 224,747</u>	<u>\$ 6,456</u>

BUDGET
STABILIZATION
FUND

CHARTER TOWNSHIP OF YORK
BUDGET STABILIZATION FUND
BALANCE SHEET
MARCH 31, 2008

ASSETS

ASSETS
Cash

\$ 175,173

FUND BALANCE

FUND BALANCE

\$ 175,173

CHARTER TOWNSHIP OF YORK
BUDGET STABILIZATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$ 4,000	\$ 7,620	\$ 3,620
EXPENDITURES			
Net change in fund balance	4,000	7,620	3,620
FUND BALANCE, APRIL 1, 2007	<u>167,553</u>	<u>167,553</u>	
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 171,553</u></u>	<u><u>\$ 175,173</u></u>	<u><u>\$ 3,620</u></u>

CEMETERY
TRUST
FUND

CHARTER TOWNSHIP OF YORK
CEMETERY TRUST FUND
BALANCE SHEET
MARCH 31, 2008

ASSETS

ASSETS

Cash

\$ 1,175

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other fund

\$ 25

FUND BALANCE

1,150

Total liabilities and fund balance

\$ 1,175

CHARTER TOWNSHIP OF YORK
CEMETERY TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$ 10	\$	\$ (10)
EXPENDITURES			
Maintenance	<u> </u>	<u> </u>	<u> </u>
Net change in fund balance	10		(10)
FUND BALANCE, APRIL 1, 2007	<u>1,150</u>	<u>1,150</u>	<u> </u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 1,160</u></u>	<u><u>\$ 1,150</u></u>	<u><u>\$ (10)</u></u>

PARK CAPITAL
IMPROVEMENT
FUND

CHARTER TOWNSHIP OF YORK
PARK CAPITAL IMPROVEMENT FUND
BALANCE SHEET
MARCH 31, 2008

ASSETS

ASSETS
Cash

\$ 52,234

FUND BALANCE

FUND BALANCE

\$ 52,234

CHARTER TOWNSHIP OF YORK
 PARK CAPITAL IMPROVEMENT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED MARCH 31, 2008

REVENUES	
Donation	\$ 50,000
Interest	<u>2,234</u>
Total revenues	52,234
EXPENDITURES	<u> </u>
Net change in fund balance	52,234
FUND BALANCE, APRIL 1, 2007	<u> </u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 52,234</u></u>

SEWER FUND

CHARTER TOWNSHIP OF YORK
SEWER FUND
BALANCE SHEET
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents	\$ 26,833
Accounts receivable billings	4,592
Special assessment receivable	134,831
Due from county	<u>5,071</u>

Total assets		\$ 171,327
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PROPERTY, PLANT AND EQUIPMENT

Land	74,039
Sewer system	<u>579,523</u>
	653,562
Less accumulated depreciation	<u>(72,440)</u>

Net property, plant and equipment		<u>581,122</u>
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Total assets		<u><u>\$ 752,449</u></u>
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LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 1,792
Bonds payable	
Current	5,500
Non-current	<u>130,500</u>

Total liabilities		\$ 137,792
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FUND EQUITY

Retained earnings unreserved		<u>614,657</u>
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Total liabilities and fund equity		<u><u>\$ 752,449</u></u>
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CHARTER TOWNSHIP OF YORK
SEWER FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2008

OPERATING REVENUES

Sewer billings	\$	14,396
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OPERATING EXPENSES

Sewer usage	\$	5,098
Depreciation		14,488
Insurance		1,473
Audit fees		500
Utilities		1,905
		1,905

Total operating expenses		23,464
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Operating (loss)		(9,068)
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NON-OPERATING REVENUES AND (EXPENSES)

Interest income - operations		1,637
Interest income - assessments		7,799
Interest expense - debt		(7,489)
		(7,489)

Total non-operating revenues and (expenses)		1,947
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Net (loss)	\$	(7,121)
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CHARTER TOWNSHIP OF YORK
SEWER FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2008

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:

Operating (loss)		\$ (9,068)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities:		
Depreciation expense	\$ 14,488	
Changes in assets and liabilities		
(Increase) in accounts receivable	(2,007)	
Increase in accounts payable	<u>365</u>	
Total adjustments		<u>12,846</u>
Net cash from operating activities		3,778

CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES

Special assessment - collections	16,905	
Payment of principal on bonds	(33,000)	
Interest expense - debt	<u>(7,489)</u>	
Net cash (used in) capital and related financing activities		(23,584)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on operating funds	<u>1,637</u>	
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NET (DECREASE) IN CASH AND CASH EQUIVALENTS (18,169)

CASH AND CASH EQUIVALENTS, APRIL 1, 2007 45,002

CASH AND CASH EQUIVALENTS, MARCH 31, 2008 \$ 26,833

TRUST AND
AGENCY FUND

CHARTER TOWNSHIP OF YORK
TRUST AND AGENCY FUND
BALANCE SHEET
MARCH 31, 2008

ASSETS

ASSETS
Cash

\$ 213,408

LIABILITIES

LIABILITIES
Due to others
Due to other funds

\$ 202,037
11,371

Total liabilities

\$ 213,408

CURRENT TAX
FUND

CHARTER TOWNSHIP OF YORK
CURRENT TAX FUND
BALANCE SHEET
MARCH 31, 2008

ASSETS

ASSETS

Cash and equivalents

\$ 1,984

LIABILITIES

LIABILITIES

Due to other funds

\$ 1,984

John M. Pfeffer, C.P.A.
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June 16, 2008

Board of Trustees
Charter Township of York
11560 Stony Creek Road
Milan, Michigan 48160

Dear Honorable Board of Trustees:

During our audit of the Charter Township of York we came across the following matter that we would like to discuss with you as part of our audit presentation for the year ending March 31, 2008.

The matter which we would like to discuss with you is as follows:

There is a new auditing standard (SAS #112) which we are required to follow as your auditing firm. This new standard relates to more formal communications by us to you regarding significant deficiencies in your internal controls and accounting procedures.

There are certain issues (deficiencies) which were previously considered general comments but under the new standard are now considered significant deficiencies.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's or detected by the entity's internal control.

We consider the following to be a material weakness of the Township.

- Journal entries were required during the audit to ensure the financial statement presentation was in conformity with generally accepted accounting principles. It should be noted that these journal entries were related to the full-accrual presentation of the government-wide statements (converting fund financial statements to full accrual statements).
- There is a lack of segregation of duties.

The following are other comments and recommendations relating to the Township's accounting and record keeping procedures:

- Adjusting journal entries were not approved.
- There were payments made to a vendor without an invoice or contract.
- The Township is tax exempt, but it was noted that taxes were paid to a vendor.

Conclusion

Thank you for your assistance and hospitality toward our firm while conducting the audit of the Charter Township of York.

If you should have any questions, comments or concerns please do not hesitate to call us.

This report is intended solely for the information and use of the Board of Trustees and management of the Charter Township of York and is not intended to be and should not be used by anyone other than the specified parties.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants